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FISCAL IMPACT STATEMENT

LS 7497

BILL NUMBER: HB 1425

NOTE PREPARED: Apr 11, 2007

BILL AMENDED: Apr 3, 2007

SUBJECT: Various Vehicle Matters.

FIRST AUTHOR: Rep. Austin

FIRST SPONSOR: Sen. Heinold

BILL STATUS: As Passed Senate

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill:

- (1) provides that a farm truck, farm trailer, or farm semitrailer and tractor may be operated intrastate for the transportation of certain seasonal crops to the first point of processing for certain periods in a registration year;
- (2) revises the definition of "motor vehicle" for purposes of persons required to be licensed to engage in the business of buying or selling motor vehicles and their unfair practices to include semitrailers;
- (3) returns proceeds from the sale of an abandoned vehicle by the person who removed, towed, or stored the vehicle to the previous owner of the vehicle if the proceeds exceed all removal, towing, and storage expenses. (Current law returns proceeds in excess of storage expenses to previous owner.);
- (4) provides that a municipal corporation that operates a storage yard may dispose of an abandoned vehicle to an automobile scrapyard or salvage recycler;
- (5) revises language concerning certain procedures to be used by a public agency or towing service concerning notice of an abandoned vehicle;
- (6) removes the Bureau of Motor Vehicles (BMV) from the process of disposing of abandoned vehicles;
- (7) repeals the BMV Abandoned Motor Vehicle Fund;
- (8) retains certain reporting requirements;

(9) permits third class cities and towns to dispose of abandoned vehicles (Current law permits only a consolidated city, a second class city, or a county to dispose of abandoned vehicles.);

(10) makes a conforming amendment;

(11) corrects an internal cross-reference.

Effective Date: Upon passage; July 1, 2007; January 1, 2008.

Explanation of State Expenditures:(5) Revising language concerning certain procedures to be used by a public agency or towing service concerning notice of an abandoned vehicle may result in additional expenditures from the more aggressive requirements for attempting to obtain the name and address of the person who owns or holds a lien on the vehicle and to notify the owner of the vehicle of the towing service's name, address, and phone number. This would affect the State Police.

(6) Removing the BMV from the process of disposing of abandoned vehicles will mean a reduction of expenditures associated with this task. In FY 2006, the BMV reported expenditures of approximately \$575,000 for this process. The funds affected are the Abandoned Vehicle Fund and the Motor Vehicle Highway Account (MVHA).

(8) Retention of certain reporting requirements will mean expenditures of a minimal amount when compared to the estimated \$575,000 in annual expenditures associated with the disposition of abandoned vehicles.

Explanation of State Revenues: (1) Expanding the number of individuals who may operate certain vehicles may reduce the number of Commercial Drivers' Licenses (CDLs) issued, but the specifics are not quantifiable. The fee for a CDL is \$30. The \$30 is distributed as follows: \$15 to the MVHA; \$14.50 to the Bureau of Motor Vehicles Commission; and \$0.50 to the Bureau of Motor Vehicles Technology Fund. The table below shows the uses of the affected funds. The reduction in revenue for this section is expected to be minimal.

The impact of expanding the period under which certain farm vehicles may be operated intrastate for the transportation of certain seasonal crops to the first point of processing for certain periods (increases from 30 days to 71 days) in a registration year and providing for an additional fee of 17% of the total fee for a particular farm weight class for the 71-day period will depend upon the weight class of the vehicles involved and the attendant annual fee, along with the number of such occurrences. IC 9-21-21-4 provides for 8.5% of the license fee paid under IC 9-29-5-13(b) for the farm truck, farm trailer, or farm semitrailer and tractor used for less than 30 days.

(2) Revising the definition of "motor vehicle" for purposes of persons required to be licensed to engage in the business of buying or selling motor vehicles and their unfair practices to include semitrailers may increase the number of licenses issued for dealers. The license fee ranges from \$5 to \$250 and is deposited into the Motor Vehicle Odometer Fund.

The table below shows the uses of the affected funds for provisions (1) and (2).

(7) Repealing the Abandoned Vehicle Fund will mean an annual loss of revenue to the BMV. Over the last five fiscal years, revenue from abandoned vehicles has averaged approximately \$461,000 per year. The funds

affected are the Abandoned Vehicle Fund and the MVHA.

Background Information: All revenue collected by the BMV for this purpose is paid into the Abandoned Vehicle Fund to be used to pay administrative expenses. At the end of every fiscal year, all monies in excess of \$37,000 are transferred to the Motor Vehicle Highway Account. Revenue for FY 2006 totaled \$570,000.

Fund	Uses
Motor Vehicle Highway Account	Construction, reconstruction, and maintenance, along with supporting the BMV, the State Police, the Dept. of Transportation, and the State Department of Revenue
Public Safety Fee	Deposited into a special account known as the State Police Building Account which does not revert to the state General Fund, or the Motor Vehicle Highway Account and used for construction, maintenance, and equipping of and/or leasing of State Police facilities.
Crossroads 2000 Fund	Bonding for highway projects
BMV Technology Fund	Upgrade technology at the BMV
Anti-Terrorism Fund	Support the Integrated Public Safety Commission
BMV Commission	Support the operation of the licenses branches throughout the state
Motor Vehicle Odometer Fund	Money in the Odometer Fund is allocated each July as follows: (1) 40% to the Motor Vehicle Highway Account; (2) 30% to the BMV for use in enforcing odometer laws; (3) 20% to the State Police for use in enforcing odometer laws; and (4) 10% to the Attorney General for use in enforcing odometer laws.

Explanation of Local Expenditures: (3) Returning the proceeds from the sale of an abandoned vehicle if the proceeds exceed all removal, towing, and storage expenses and (4) providing that a municipal corporation that operates a storage yard may dispose of an abandoned vehicle to an automobile scrapyard or salvage recycler will allow a person who removed, towed, or stored an abandoned vehicle to retain removal and towing services expenses from the sale of the abandoned vehicle. These funds could offset any costs a local unit incurs for removal or towing of an abandoned vehicle.

Also, this provision could reduce storage expenses for a municipal corporation that operates a storage yard because the municipal corporation could dispose of the abandoned vehicle to an automobile scrapyard or automotive salvage recycler upon removal of the vehicle.

(5) Revising language concerning certain procedures to be used by a public agency or towing service concerning notice of an abandoned vehicle may result in additional expenditures from the more aggressive requirements for attempting to obtain the name and address of the person who owns or holds a lien on the vehicle and to notify the owner of the vehicle of the towing service's name, address, and phone number.

(9) Permitting third class cities and towns to dispose of abandoned vehicles may require additional expenditures from these entities in order to accomplish the task.

Explanation of Local Revenues: Local revenues from abandoned vehicles may be reduced by this bill since more time is required to locate the owner before the vehicle is considered abandoned. Local revenues for cities and towns of the third class may increase because of their inclusion in the disposition of abandoned vehicles.

Background Information: Cities of the first and second class and counties may elect to sell and keep revenues from vehicles abandoned in their jurisdictions (IC 9-22-1-23, 27). The city or BMV is responsible for notifying the owner of the vehicle.

State Agencies Affected: Bureau of Motor Vehicles, Department of Transportation, State Police, and the Department of Revenue, all as recipients of MVHA distributions; Bureau of Motor Vehicles Commission; BMV, State Police, and the Attorney General as recipients of distributions from the Odometer Fund.

Local Agencies Affected: Recipients of MVHA distributions; Cities of the first, second, and third class and counties who elect to sell and keep revenues from abandoned vehicles.

Information Sources:

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